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09/810,945	03/15/2001	Michael Goeller	P-11400US	7240

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Harry K. Ahn, Esq.
Abelman, Frayne & Schwab
666 Third Avenue
New York, NY 10017-5621

EXAMINER

LIVERSEDGE, JENNIFER L

ART UNIT	PAPER NUMBER
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3692

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PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 09/810,945	Applicant(s) GOELLER ET AL.	
	Examiner JENNIFER LIVERSEDGE	Art Unit 3692	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 04 March 2009.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 34-51, 55 and 56 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 34-51, 55 and 56 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Response to Amendment

This Office Action is responsive to Applicant's amendment and request for reconsideration of Application 09/810,945 filed on March 4, 2009.

The amendment contains amended claims: 34 and 43.

The amendment contains previously presented claims: 35-42 and 44-51.

The amendment contains new claims: 55-56.

Claims 1-33 have been canceled.

Claims 52-54 have been withdrawn.

Claim Rejections - 35 USC § 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 34-42 and 55 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Claim 34 refers to "a switch computer connected to the plurality of host computers". Based on antecedent basis, it would be clearer to claim "a switch computer connected to the plurality of merchant host computers" as recited in the first limitation of the claim so it's clear the host computers are the same host computers of the first limitation.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

Claims 34-51 are rejected under 35 U.S.C. 103(a) as being unpatentable over US Patent 6,647,376 B1 (further referred to as Farrar), in view of US Patent 7,356,502 B1 to LaBadie et al. (further referred to as LaBadie), and further in view of US Patent 5,679,940 to Templeton (further referred to as Templeton).

Regarding claim 34, Farrar discloses a system for conducting a commercial transaction using checking information comprising:

A merchant host computer, operable to receive transaction information from at least one input receiving device (Figures 1-2; column 4, lines 7-27; column 6, lines 50-55; column 14, lines 11-59) including checking account information of a paper check and a sales amount for a purchase transaction, the checking account information

Art Unit: 3692

including a transit routing number (TRN) (Figure 2; column 4, lines 7-27; column 6, lines 42-49; column 7, lines 30-40; column 8, line 60 – column 9, line 5; column 14, lines 11-59);

A switch computer connected to the host computer and a plurality of participating drawee banks (Figures 1-2; column 6, lines 50-67; column 14, lines 11-59), the switch computer being operable to:

Receive a service request message containing the transaction information and a request to perform a conversion operation (Figures 1-2, 5; column 4, lines 7-27; column 6, lines 50-55; column 7, lines 54-56; column 8, lines 59-67; column 14, lines 11-59);

Farrar does not disclose where the switch computer is operable to:

Perform an exclusion check on the received service request message based on a comparison of the TRN contained in the service request message against a list of excluded transit routing numbers; send to the host computer an indicator indicating that the authorization for the conversion request is denied without forwarding the service request message to a drawee bank of the paper check if the performed exclusion check determines that the TRN is present in the list of excluded transit routing numbers; and send the received service request message to a selected one of the plurality of drawee banks with corresponds to the TRN is the performed exclusion check determines that the TRN is not present in the list of excluded transit routing numbers.

However, Farrar discloses where the host computer (the merchant processor) is operable to:

Perform an exclusion check on the received service request message based on a comparison of the TRN contained in the service request message against a list of excluded transit routing numbers (Figure 5; column 4, lines 15-18; column 9, line 1-17; column 14, lines 11-59); and

Send the received service request message to a selected one of the plurality of drawee banks with corresponds to the TRN is the performed exclusion check determines that the TRN is not present in the list of excluded transit routing numbers (Figure 5; column 9, lines 1-17; column 14, lines 11-59).

Farrar discloses that the merchant processor is connected to both a point of sale input device and an EFT switch such that received transaction data can be obtained and by using the TRN of the check, determine if the TRN is associated with a participating or not, such that if the TRN indicates a participating bank the data can be sent to the bank through the switch. It is obvious from Farrar that the receipt of transaction and TRN data is occurring and that a determination as to whether the transaction data should be sent along to a drawee bank or not is being made. If the check of the TRN indicates the bank is participant, the data is sent. If the check of the TRN indicates that the bank is not a participant, the data is not sent.

Farrar does not disclose sending an indicator indicating that the authorization for the conversion request is denied. However, LaBadie discloses sending an indicator indicating that the authorization for the conversion request is denied (column 2, lines 18-

Art Unit: 3692

28; column 5, lines 40-53; column 6, lines 22-29 and lines 56-61). It would be obvious to one of ordinary skill in the art at the time of the invention to modify the seeking of conversion based on the determination of TRN status as disclosed by Farrar to adapt the indication of a denied conversion request as disclosed by LaBadie. The motivation would be that when a request for a transaction is submitted, the requestor generally expects either for the request to be acted upon, for the request to be denied, or for some alternative to be offered.

Farrar does not specifically disclose a plurality of merchant host computers connected to the switch computer. However, Farrar discloses where the merchant processor may be an entity separate from the merchant, such as a check guarantee service (column 14, lines 11-27). Templeton discloses where a plurality of merchant computers send information to a check guarantee service (column 2, lines 43-54; column 2, line 63—column 3, line 8; column 12, line 66 – column 13, line 17). It would be obvious to one of ordinary skill in the art at the time of the invention to modify the use of a merchant processor which is a separate entity from the merchant for the purpose of authorizing paper checks received by a merchant to adapt the ability of a plurality of merchants to connect to the authorization computer. The motivation would be that the system would not be set up for a single merchant's use but rather for processing the requests of many merchants such as to effectively use the processing ability of the computer resources, as is known in the check guarantee service industry.

Regarding claim 43, Farrar discloses a method of processing a paper check transaction occurring at a point of sale, the method comprising:

At a host computer:

Receiving transaction information including checking account information of a paper check and a sales amount for a purchase transaction, the checking account information including a transit routing number (TRN) (Figure 2; column 4, lines 7-27; column 6, lines 42-49; column 7, lines 30-40; column 8, line 60 – column 9, line 5; column 14, lines 11-59);

Assembling a service request message including the transaction information and a request to perform a conversion operation (Figure 5; column 4, lines 7-43; column 6, lines 42-67; column 8, line 60 – column 9, line 17; column 14, lines 11-59);

Transmitting the service request message to a switch computer (Figures 1, 5; column 8, line 57 – column 9, line 17; column 14, lines 11-59); and at the switch computer:

Receiving the transmitted service request message from the host computer (Figures 1, 5; column 8, line 57 – column 9, line 17; column 14, lines 11-59);

Sending a response received from the selected drawee bank to the host computer (Figures 2, 5; column 7, lines 12-15; column 9, lines 23-27; column 15, lines 10-18).

Farrar does not disclose where the switch computer is operable to:

Perform an exclusion check on the received service request message based on a comparison of the TRN contained in the service request message against a list of excluded transit routing numbers; send to the host computer an indicator indicating that the authorization for the conversion request is denied without forwarding the service request message to a drawee bank of the paper check if the performed exclusion check determines that the TRN is present in the list of excluded transit routing numbers; and send the received service request message to a selected one of the plurality of drawee banks with corresponds to the TRN is the performed exclusion check determines that the TRN is not present in the list of excluded transit routing numbers.

However, Farrar discloses where the host computer (the merchant processor) is operable to:

Perform an exclusion check on the received service request message based on a comparison of the TRN contained in the service request message against a list of excluded transit routing numbers (Figure 5; column 4, lines 15-18; column 9, line 1-17; column 14, lines 11-59); and

Send the received service request message to a selected one of the plurality of drawee banks with corresponds to the TRN is the performed exclusion check determines that the TRN is not present in the list of excluded transit routing numbers (Figure 5; column 9, lines 1-17; column 14, lines 11-59).

Farrar discloses that the merchant processor is connected to both a point of sale input device and an EFT switch such that received transaction data can be obtained and by using the TRN of the check, determine if the TRN is associated with a participating or not, such that if the TRN indicates a participating bank the data can be sent to the bank through the switch. It is obvious from Farrar that the receipt of transaction and TRN data is occurring and that a determination as to whether the transaction data should be sent along to a drawee bank or not is being made. If the check of the TRN indicates the bank is participant, the data is sent. If the check of the TRN indicates that the bank is not a participant, the data is not sent.

Farrar does not disclose sending an indicator indicating that the authorization for the conversion request is denied. However, LaBadie discloses sending an indicator indicating that the authorization for the conversion request is denied (column 2, lines 18-28; column 5, lines 40-53; column 6, lines 22-29 and lines 56-61). It would be obvious to one of ordinary skill in the art at the time of the invention to modify the seeking of conversion based on the determination of TRN status as disclosed by Farrar to adapt the indication of a denied conversion request as disclosed by LaBadie. The motivation would be that when a request for a transaction is submitted, the requestor generally expects either for the request to be acted upon, for the request to be denied, or for some alternative to be offered.

Farrar does not specifically disclose a plurality of merchant host computers connected to the switch computer. However, Farrar discloses where the merchant processor may be an entity separate from the merchant, such as a check guarantee

Art Unit: 3692

service (column 14, lines 11-27). Templeton discloses where a plurality of merchant computers send information to a check guarantee service (column 2, lines 43-54; column 2, line 63—column 3, line 8; column 12, line 66 – column 13, line 17). It would be obvious to one of ordinary skill in the art at the time of the invention to modify the use of a merchant processor which is a separate entity from the merchant for the purpose of authorizing paper checks received by a merchant to adapt the ability of a plurality of merchants to connect to the authorization computer. The motivation would be that the system would not be set up for a single merchant's use but rather for processing the requests of many merchants such as to effectively use the processing ability of the computer resources, as is known in the check guarantee service industry.

Regarding claims 35 and 44, Farrar discloses wherein the input receiving device includes a magnetic ink character recognition device operable to receive the paper check, the paper check no being used as a negotiable instrument and being returned to the customer (Figure 2; column 6, lines 38-48; column 8, lines 60-65; column 12, lines 29-31; column 14, lines 11-26; column 15, lines 10-18).

Regarding claims 36 and 45, Farrar discloses wherein the input device includes a keyboard (Figure 2; column 7, lines 28-40).

Regarding claims 37 and 46, Farrar discloses wherein the conversion operation comprises one of conversion only, conversion with verification and conversion with guarantee (at least column 1, lines 41-48; column 2, lines 17-25).

Regarding claims 38 and 47, neither Farrar nor LaBadie disclose wherein the transaction information includes one or more separators and the input receiving device translates the one or more separators into alphanumeric characters. Farrar does disclose that messages are created and sent in standard message protocol as defined by ISO 8583 format (column 16, lines 20-45). Further, Templeton discloses wherein the transaction information includes one or more separators and the input receiving device translates the one or more separators into alphanumeric characters (column 23, line 27 – column 24, line 27). It would be obvious to one of ordinary skill in the art at the time of the invention to modify the use of standard ISO 8583 message format to adapt the use of separators and alphanumeric characters as disclosed by Templeton, the motivation being to create a standard message which can be sent and received by participating processing organizations.

Regarding claims 39 and 48, Farrar discloses wherein the input device further includes a point of sale terminal into which the purchase amount may be entered (Figure 2; column 7, lines 28-40).

Regarding claim 40 and 49, neither Farrar nor LaBadie discloses wherein the service request message includes a settlement code indicating how the settlement will occur. However, Templeton discloses wherein the service request message includes a settlement code indicating how the settlement will occur (column 12, line 66 – column 13, line 17; column 25, line 45 – column 26, line 20). It would be obvious to one of ordinary skill in the art at the time of the invention to modify the sending of settlement codes for conversion, conversion with verification or conversion with guarantee as disclosed by the combination of Farrar and LaBadie to adapt the use of a code to indicate how settlement will occur as disclosed by Templeton, the motivation being to provide a single data packet that includes data necessary for processing the request message.

Regarding claims 41 and 50, Farrar discloses wherein the service request message includes a unique transaction identifier that allows related transactions to be associated in a set (column 9, lines 1-16; column 14, lines 33-53 where the request message includes the MICR data which includes the TRN which allows the related transactions for the TRN to be associated).

Regarding claims 42 and 51, Farrar discloses wherein the host computer and the switch computer are connected via a telecommunication network (column 7, lines 23-27).

Claims 55-56 are rejected under 35 U.S.C. 103(a) as being unpatentable over Farrar, LaBadie, and Templeton as applied to claims 34 and 43 above, and further in view of Official Notice.

Regarding claims 55-56, neither Farrar, LaBadie nor Templeton disclose periodically updating the list of excluded transit routing numbers. However, examiner takes Official Notice that it is old and well known and would have been obvious to one of ordinary skill in the art to update a database of information against which check data is being authorized. Data is continuously changing and a database against which check authorizations are being made would need to be updated regularly in order to remain relevant.

Response to Arguments

Applicant argues that in the present invention a service request message is declined immediately at the switch computer without the message being further routed to a drawee bank of the paper check and that Farrar fails to disclose this limitation. However, as detailed in the rejection above, the function of performing an authorization before sending a message to a drawee bank is performed by Farrar. Figure 1 of Farrar discloses the elements and steps as claimed in the present invention. Figure 1 of Farrar shows a check being presented to a merchant at a POS terminal, where information is sent to a merchant processor for a determination as to whether the check is drawn from a participating check, and if the check is drawn on a participating bank, a

Art Unit: 3692

message is sent to the switch to send to the participating bank. If the check is not from a participating bank, the message is not sent to the switch and therefore not sent to the non-participating bank. As detailed above, the merchant processor of Farrar performs the steps of the switch in the present application. The components of a check writer, a merchant with a POS device, a processor for determining authorization and a switch for passing along message to participating banks are present in both Farrar and the present application. Several of the operation steps are performed by the Merchant Processor in Farrar where they are performed by the switch in the present application. The applicant argues that the switch is intended to authorize the messages before sending them to bank in order to increase efficiency of the message sending and to provide quicker service for the merchant and consumer at the merchant. It is noted that by the authorization occurring at the Merchant Processor prior to sending the message to a switch to send to drawee banks, the same result is being achieved by use of the same components.

Applicant argues that in Farrar the exclusion check is performed at the merchant rather than at a switch computer which is a central computer that is communication with a plurality of merchants (as a newly added claim limitation). However, examiner notes that the exclusion check is not performed at the merchant, but in contrast by a Merchant Processor. It is noted that no where does Farrar disclose "a Merchant's Processor" but rather it is called a "Merchant Processor" and Farrar specifically discloses that the Merchant Processor "may be an entity separate from the merchant, such as a check guarantee service". And it is old and well known that a check guarantee service

Art Unit: 3692

receives requests for authorization from a plurality of merchants with which it is in communication. Therefore, the exclusion check is not is not performed at the merchant level but rather at the Merchant Processor level which may be operated by a service operating for the service for a plurality of merchants and operating prior to sending the message along to a switch computer to send to a drawee bank.

Conclusion

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the date of this final action.

Art Unit: 3692

Any inquiry concerning this communication should be directed to Jennifer Liversedge whose telephone number is 571-272-3167. The examiner can normally be reached on Monday - Friday, 8:30 AM - 5 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Kambiz Abdi can be reached at 571-272-6702. The fax number for the organization where the application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

/Jennifer Liversedge/
Examiner, Art Unit 3692

/Kambiz Abdi/
Supervisory Patent Examiner, Art Unit 3692